

UK MISSING OUT ON BIOFUEL OPPORTUNITIES DUE TO LACK OF CLEAR POLICY

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Image Credit: Steve Jurvetson

The UK is losing out on investment and jobs due to the government's lack of a clear policy framework for sustainable biofuels, according to the Renewable Energy Association (REA).

The organisation explained that it is frustrated by the lack of concrete measures to improve the policy framework for sustainable biofuels in government the decisions published this week.

In responses to two important consultations, the Department for Transport (DfT) proposed a limited set of changes to the Renewable Transport Fuel Obligation (RTFO) and stopped short of outlining how it will meet its binding 10% 2020 renewable transport target.

The current RTFO obligation level is set at 4.75% by volume, or approximately 3.5% by **energy**, so a nearly three-fold increase in the supply of **biofuels**, including advanced biofuels such as those made from waste based feedstocks, is needed by 2020.

But according to the REA in these documents the DfT again fails to set out how the RTFO obligation level will increase towards the 2020 target.

"Sometimes policy moves too fast and becomes unstable, as we've seen with drastic changes to support for solar power," commented REA chief executive, Dr Nina Skorupska.

"But sometimes policy moves too slowly and remains unclear, as we are still seeing with sustainable biofuels. Government has missed an opportunity here to set out a trajectory to its 2020 10% renewable transport target and will not introduce any substantive support for advanced biofuels until the second half of 2015 at the earliest," she continued.

"Meanwhile the UK is missing out on jobs as investors move their money to more supportive policy environments such as the USA," added Skorupska.

The REA did however welcome the three substantive RTFO changes proposed by the government, which it said would improve support for biomethane from anaerobic digestion, add support for synthetic fuels made using renewable electricity and balance the playing field for different types of biodiesel.

But the organisation also cautioned that significant investment will not be forthcoming until the government sets out how the obligation level within the RTFO will increase year-on-year to meet the 2020 10% target.

According to the REA a proven market in conventional biofuels is vital for building confidence and spurring investment in advanced biofuels which, although costlier and more technologically risky right now, can provide even greater environmental benefits.

REview Report

The REA's new report **REview** documents three successful UK projects built by REA members since 2010, which is said has created construction, manufacturing, science and engineering jobs in Teesside, Merseyside and Humberside.

According to the association, biofuel produced in the UK is consistently shown to have greater GHG savings than the EU average, whilst also creating sustainable animal feed co-products that reduce the UK's imports of soymeal.

However, the organisation lambasted that at least four projects have been cancelled due to the unclear policy framework, while studies accompanying these consultations indicate that over half of the smaller UK producers have gone out of business. “On the whole, Government is delivering clear, stable policy for renewable heat and power, which is attracting investment, creating jobs and growing the UK’s share of clean, home-grown energy,” said Skorupska. “But it must up its game on **transport** to make the most of the economic and environmental benefits of sustainable biofuels. It doesn’t make sense for the Government to refuse to raise the RTFO obligation level when it is committed to a near-threefold expansion on current levels by 2020,” she concluded.